

AMENDMENTS TO THE SPECIFICATION

Please replace the paragraph that begins at page 1, line 1 and ends at page 1, line 1 with the following amended version of that paragraph:

~~ADPATIVE~~ ADAPTIVE BIDDING INCREMENTS IN AN ONLINE AUCTION SYSTEM

Please replace the paragraph that begins at page 3, line 8 and ends at page 4, line 14 with the following amended version of that paragraph:

It is the object of the present invention to provide an online auction method and system which will induce higher bidding by bidders participating in the auction than traditional systems wherein a bidder was able to simply enter a bid amount for transmission to the system which would be entered in the auction and might then easily be surpassed by the entry of another bid by another bidder. The system and method of the present invention will allow bidders to place bids in an auction sale online by selecting from one or more predetermined bid increments which are made available to them. The use of predetermined bid increments in a live auction sale format should increase the amount of revenue, since bidders to some extent where they wish to place a bid that might have been \$350 might simply select a button which was a predetermined \$500 bid, depending on the level of excitement and time remaining or involved in the auction session. The present invention proposes to increase the revenue recovered from auctions in this fashion by revising said predetermined bid increments during the conduct of the sale of a particular auction lot. For example, if a predetermined bid increment of \$1,000 is provided to bidders engaged in a bidding session and resistance begins to build to the \$1,000 predetermined bid increment, the system or method calls for the revision of the predetermined bid increment, for

example maybe to \$500, which might spur additional activity in the bidding session. These predetermined bid increments and their revision during the sale of a particular auction lot will adapt to the circumstances of a particular lot or the overall circumstances of the sale and will potentially spur additional bidding activity in a bidding session that might otherwise be drawing to a close. The system and method of the present invention is specifically targeted towards use in a "live" online auction format, a live online auction being an online auction in which there is a short time period within which bidding is able to take place, or alternatively even an online auction in which a live auctioneer is involved in some fashion. It will also however be understood that the adaptive bid increment method of the present invention could also be practiced in a static auction, and that is also contemplated within the scope of the present invention.

Please replace the paragraph that begins at page 4, line 16 and ends at page 5, line 8 with the following amended version of that paragraph:

There is disclosed by the present invention a method of conducting an online auction comprising providing an auction Web site system which will conduct an auction in a number of steps. The first step of the auction process conducted by the Web site system in respect of an auction lot is to assign at least one predetermined bid increment to the auction and to then display to the browser of a bidder via the Web site system the current auction price of said lot as well as said predetermined bid increments. Bidders would then be allowed to place bids by selecting from said predetermined bid increments, the amount of the bid being the current auction price plus the selected predetermined bid increment. The bids would be transmitted to and recorded in said Web site system. Upon occurrence of a

revision event, the predetermined bid increments would be revised and the new revised predetermined bid increments would be displayed to bidders. Further bidding could then take place using these new revised predetermined bid increments. Finally, upon occurrence of an auction-closing event, the system would accept no further bids and the winning bidder would be determined.

Please replace the paragraph that begins at page 15, line 14 and ends at page 16, line 2 with the following amended version of that paragraph:

In operation, a bidder would access the auction Web site (2) by using a standard Web browser (5), such as Microsoft's Internet Explorer™ or Netscape's Navigator™, which uses the HTTP protocol to communicate with the Web server (3) of the Web site (2). The Web server (3) acts as a local store of documents [[(8)]] 9 (in the form of HTML or "Web" documents) which can be requested, retrieved and viewed by the customer via the Web browser (5). This catalogue of HTML documents [[(8)]] 9 could include various descriptive information regarding auction lots offered for sale and would also include documents to be viewed and used in the placement of bids with the Web site (2). Through the browser (5), the Web site (2) and the associated Web server (3), a bidder would be able to transact business with the auctioneer.

Please replace the paragraph that begins at page 16, line 3 and ends at page 16, line 16 with the following amended version of that paragraph:

The HTML documents [[(8)]] 9 served by the Web site (2) would include particular documents or pages which would be used by bidders to place bids on items in an auction. By way of special hyperlinks or otherwise, the predetermined bid

increments associated with a particular auction lot would be displayed to the bidder and the bidder could then, via their Web browser (5), select one of those special hyperlinks which would transmit the amount of the selected predetermined bid increment and other bidder identifying information from the browser (5) to the Web site (2) for recordal by the bid management system (15). Typically, one such hyperlink would be provided for each predetermined bid increment available with respect to the auction lot and the bidder could simply click one of those links to select their bid increment. Alternatively, a menu or other method of HTML coding could be used and it will be understood that other variants resulting the same provision of the predetermined bid increments to the bidder for selection are contemplated within the scope of the present invention.

Please replace the paragraph that begins at page 16, line 18 and ends at page 17, line 4 with the following amended version of that paragraph:

In one embodiment or implementation, the auction Web site (2) comprises a merchandise database containing information about various auction lots to be offered for sale by the auctioneer via the system of the present invention. Certain documents in the HTML catalogue [(8)] 9 might then be query templates which will extract certain information from the merchandise database (6) for display to a bidder via their Web browser (5). The computer program (10) of the auction Web site (2) would also use the information from the merchandise database (6) in the conduct of auctions of various auction lots therefrom.

Please replace the paragraph that begins at page 21, line 15 and ends at page 23, line 2 with the following amended version of that paragraph:

Figures 5 and 6 are sample screen displays which demonstrate the adaptive nature of the predetermined bid increments (11) of the present invention. There is shown in the screen sample (26) a variety of information for display in a bidder's browser (5). For example, the information shown at (27) is descriptive information about the auction lot being auctioned, which descriptive information would come from a merchandise database (6) as outlined herein. At (28) there is shown another frame which shows a running total or history of bids in respect of the auction lot having been received and logged in the bid database (7). The core of the present invention, being the adaptive predetermined bid increments, are shown at position (29) on the screen display. In this particular case of this auction, in the opening screen of Figure 5, the four predetermined bid increments (11) which are shown are \$1,000, \$2,000, \$5,000 and \$10,000. At some point during the auction of this lot #1, the details of which are shown at position (27), a revision event occurs which likely results from the development of a resistance to making any higher bids on the lot in the full amount of the predetermined bid increments (11) which are shown. The precise revision event could be any number of conditions which the system might detect, as will be outlined in further detail below, but in the case where the revision event was related to a passage of time between the placement of bids, the increment setting component would revise the predetermined bid increments as has been done in this case, as it can be seen that the predetermined bid increments (11) have been lowered to \$250, \$500, \$1,000 and \$5,000. Where people were not previously prepared to make another bid of a full \$1,000, the new availability of the \$500 and \$250 bid increments (11) might incite further bidding activity and encourage one or more bidders to place bids in those denominations. In the case of the embodiment of Figure 5, where it is shown that the

current high bid is \$7,600, if a bidder were to select the \$2,000 predetermined bid increment shown, the amount of the bid which would be recorded in the bid database (7) would be \$9,600, namely the current auction price plus the selected predetermined bid increment. The system would [[the]] then refresh the current auction price of the item with the details of such a bid and transmit that information to bidders engaged in the bidding session.

Please replace the paragraph that begins at page 23, line 4 and ends at page 23, line 15 with the following amended version of that paragraph:

Upon selection of a predetermined bid increment by a bidder at their browser (5), this bid increment and bid indication would be transmitted to the auction Web site system (2) and its associated server (3), where it could be recorded in the bid database (7) and the current auction price of the item updated if the bid is validated. The amount of the bid would be the current auction price at the time the bid was placed, plus the amount of the bid increment selected by the bidder. The Web server (3) of the auction Web site system (2) could then revise and refresh the Web pages [[(8)]] 9 which have been served to the browsers (5), to show the updated auction status to bidders engaged in the auction. In addition to the current auction price and the predetermined bid increments available at that time, it will be understood that other information might also be served to the browsers (5) from the server (3) and that all such system modifications are contemplated within the scope of the present invention as well.

Please replace the paragraph that begins at page 25, line 16 and ends at page 26, line 5 with the following amended version of that paragraph:

Switching to Figure 2, the method of provision of adaptive bidding increments in an online auction system is shown in flow chart form. The auctioneer or system would first select a lot for auction, shown at Step A. An opening price and at least one predetermined bid increment in respect of the lot would then be determined, B and C. Upon the opening of bidding, bidders could make bids by selecting one of the predetermined bid increments provided to them with respect to the auction lot, G. If during the course of accepting bids at G, or if no bids are being accepted or received, the system detects the occurrence of a revision event, shown at Decision Block [[F]] E, the bid increments will be revised and the status of the auction including the revised predetermined bid increments, shown at J, will be communicated to the browsers or bidders involved in the auction.

Please replace the paragraph that begins at page 35, line 6 and ends at page 35, line 11 with the following amended version of that paragraph:

The initial status information which would be set with respect to an auction in respect of opening bidding would be to set the opening auction price for the auction lot in question[[s]], as well as through the increment setting component (17) assigning or generating the initial predetermined bid increments pertaining to that auction lot, which are the initial predetermined bid increments at which bidders can place bids on the auction lots.

Please replace the paragraph that begins at page 38, line 1 and ends at page 38, line 8 with the following amended version of that paragraph:

It is specifically contemplated that the auction system (2) of the present invention particularly lends itself to

[[an]] a "live" Internet auction, that is to say an auction taking place at a particular time with the participation of an auctioneer and taking place only for a short period of time. It will also be understood, however, that with necessary modifications the system of the present invention could also be applied to a static auction such as one carried out on eBay™ or the like, and that the use of the system of the present invention in either a live or static online auction format is contemplated within the scope of the present invention.